

5. **Ownership of Land Surface:**

Private (Fee) (X) BLM () US Forest Service ()
 State Trust Land/School Sections (X) State Sovereign Lands ()
 Other (please describe): _____

Name SITLA Address 675 E. 500 S., Ste 500, SLC, UT 84102
 Name Clifton D. Merkley, Trustee Address 6175 Trevarton Dr., Longmont, CO 80503
 Name Shirley R. Merkley, Trustee Address 6175 Trevarton Dr., Longmont, CO 80503
 Name _____ Address _____

6. **Ownership of Minerals:**

Private (Fee) () BLM () US Forest Service ()
 State Trust Land/School Sections (X) State Sovereign Lands ()
 Other (please describe): _____

Name SITLA Address 675 E. 500 S., Ste 500, SLC, UT 84102
 Name _____ Address _____
 Name _____ Address _____
 Name _____ Address _____

BLM Claim Number(s): _____
 Utah State Lease Number(s): ML-30662, ML-47679, ML-60663
 BLM/USFS Lease or Project File Number(s): _____

Name of Lessee(s): Ashley Creek Properties L.L.C.

7. **Have the above surface and mineral owners been notified in writing?** Yes ☒ No ☐
 If no, why not? _____

8. **Does the Entity have legal right to enter and conduct mining operations on the land covered by this notice?** Yes ☒ No ☐

Please be advised that if State Trust Lands are involved, notification to the Division of Oil, Gas and Mining alone does not satisfy the notification requirements of Mineral Leases upon State Trust Lands. Exploration or mining activity on State Trust Lands requires a minimum of 60 days notice to the Trust Lands Administration prior to commencing any activities. Please contact the School Institutional Trust Lands Administration (SITLA) at (801) 538-5508 for notification requirements.

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II. **PROJECT LOCATION & MAP** (Rule R647-3-105)

1. **Project Location & Map** (legal description):

County(ies): Uintah - In addition to below, see attached table

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| | | | | |
|---------------------|---------------------|---------------------------|-----------------|--------------|
| _____ 1/4, of SE | _____ 1/4, of NW | _____ 1/4, Section: 7 | Township: 3S | Range: 21E |
| _____ 1/4, of _____ | _____ 1/4, of _____ | _____ 1/4, Section: _____ | Township: _____ | Range: _____ |
| _____ 1/4, of _____ | _____ 1/4, of _____ | _____ 1/4, Section: _____ | Township: _____ | Range: _____ |

UTM East: _____ (if known) UTM North: _____ (if known)

Name of Quad Map for Location: Steinaker Reservoir, Taylor Mtn, Dyer Mtn, Dry Fork

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2. **Is the project within an incorporated area?** () Yes (X) No
 If yes, what is the town or city? _____

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3. **Location and Operations maps** must be plotted at a scale to accurately identify locational landmarks and operations details. All maps must include a north arrow, scale, appropriate labels, and title box including the mine name, township, range and section.
 - a. The **general location map** must be the scale of a USGS 7.5 minute series map or equivalent (1"=2000') and identify new or existing access roads.
 - b. The **operations map** (1"=200' or other scale as determined necessary by the Division) must be labeled and identify:
 - i. The area to be disturbed;
 - ii. The location of any existing or proposed operations including access roads, drill holes, trenches, pits, shafts, cuts, or other planned activities; and
 - iii. Any adjacent previous disturbance for which the operator is not responsible.(Contact the Division for a list of consultants and land surveyors for mapping assistance.)
4. The proposed (5 acre or less) disturbed area (including access/haul roads) should be marked ON THE GROUND with metal T-Posts (or with some other marker of equal effectiveness). Markers should be appropriately spaced so that the next marker in either direction is clearly visible with the naked eye.

III. **OPERATION PLAN** (Rule R647-3-106)

1. **Type of mining:** Surface (X) Underground (___)
2. **Mineral(s) to be mined:** Phosphate
3. **Amount of material** to be extracted, moved, or proposed to be moved: _____
4. Will any **water, liquid chemicals, reagents, or other solutions** be used, produced or discharged as part of the mining or milling process? Yes (___) No (X) If yes, please describe (add extra pages if needed): _____
5. Provide a brief **description of the proposed mining operation**, and onsite processing facilities (add extra pages if necessary). Bulk sampling; also 56 exploration holes on mostly existing roads (except as noted on attached maps) in future (dry holes). Approximately 6" diameter holes will be drilled. Access will be via existing disturbance. Some road repair will occur within the existing accesses. A ~15' x 20' x 8' sump for drilling will be constructed at each drill site.

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6. (X) **New Road(s):** Length ~1,566.1 (ft), Width 15 (ft) DIV. OF OIL, GAS & MINING
7. (___) **Improved Road(s):** Describe improvements that need to be made to existing roads to access the site, including the Length _____ (ft) and Width _____ (ft) **of new disturbances.**

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8. Total project surface **acreage to be disturbed:** 6.64 (acres) PLEASE SPECIFY **EXACT ACREAGE** (this will be used to determine surety bond amount – see #VI).
9. Proposed **startup date** (month, year): 16 holes will start on 8/22/11
10. Proposed **completion**, if known (month, year): 16 holes will be completed ~9/30/11

Table 1 – 16 Drill Hole Locations Planned for 2011

| | | | | | | | | | | | |
|----|----------|----|----------|----|-------|----------|----|-----------|----|--------|-----|
| SE | 1/4 , of | SE | 1/4 , of | NW | 1/4 : | Section: | 2 | Township: | 3S | Range: | 20E |
| SW | 1/4 , of | NE | 1/4 , of | NW | 1/4 : | Section: | 11 | Township: | 3S | Range: | 20E |
| SE | 1/4 , of | SW | 1/4 , of | NW | 1/4 : | Section: | 12 | Township: | 3S | Range: | 20E |
| SE | 1/4 , of | NW | 1/4 , of | NW | 1/4 : | Section: | 4 | Township: | 3S | Range: | 21E |
| NW | 1/4 , of | NW | 1/4 , of | SW | 1/4 : | Section: | 5 | Township: | 3S | Range: | 21E |
| NW | 1/4 , of | SE | 1/4 , of | SE | 1/4 : | Section: | 5 | Township: | 3S | Range: | 21E |
| SE | 1/4 , of | SE | 1/4 , of | NE | 1/4 : | Section: | 5 | Township: | 3S | Range: | 21E |
| NW | 1/4 , of | SW | 1/4 , of | NE | 1/4 : | Section: | 6 | Township: | 3S | Range: | 21E |
| NE | 1/4 , of | NE | 1/4 , of | SW | 1/4 : | Section: | 6 | Township: | 3S | Range: | 21E |
| SE | 1/4 , of | SE | 1/4 , of | SE | 1/4 : | Section: | 6 | Township: | 3S | Range: | 21E |
| NE | 1/4 , of | NW | 1/4 , of | NW | 1/4 : | Section: | 7 | Township: | 3S | Range: | 21E |
| NW | 1/4 , of | NW | 1/4 , of | SE | 1/4 : | Section: | 7 | Township: | 3S | Range: | 21E |
| NE | 1/4 , of | SE | 1/4 , of | NE | 1/4 : | Section: | 7 | Township: | 3S | Range: | 21E |
| SE | 1/4 , of | NE | 1/4 , of | NE | 1/4 : | Section: | 7 | Township: | 3S | Range: | 21E |
| NW | 1/4 , of | NW | 1/4 , of | SW | 1/4 : | Section: | 8 | Township: | 3S | Range: | 21E |
| NE | 1/4 , of | NW | 1/4 , of | NE | 1/4 : | Section: | 8 | Township: | 3S | Range: | 21E |

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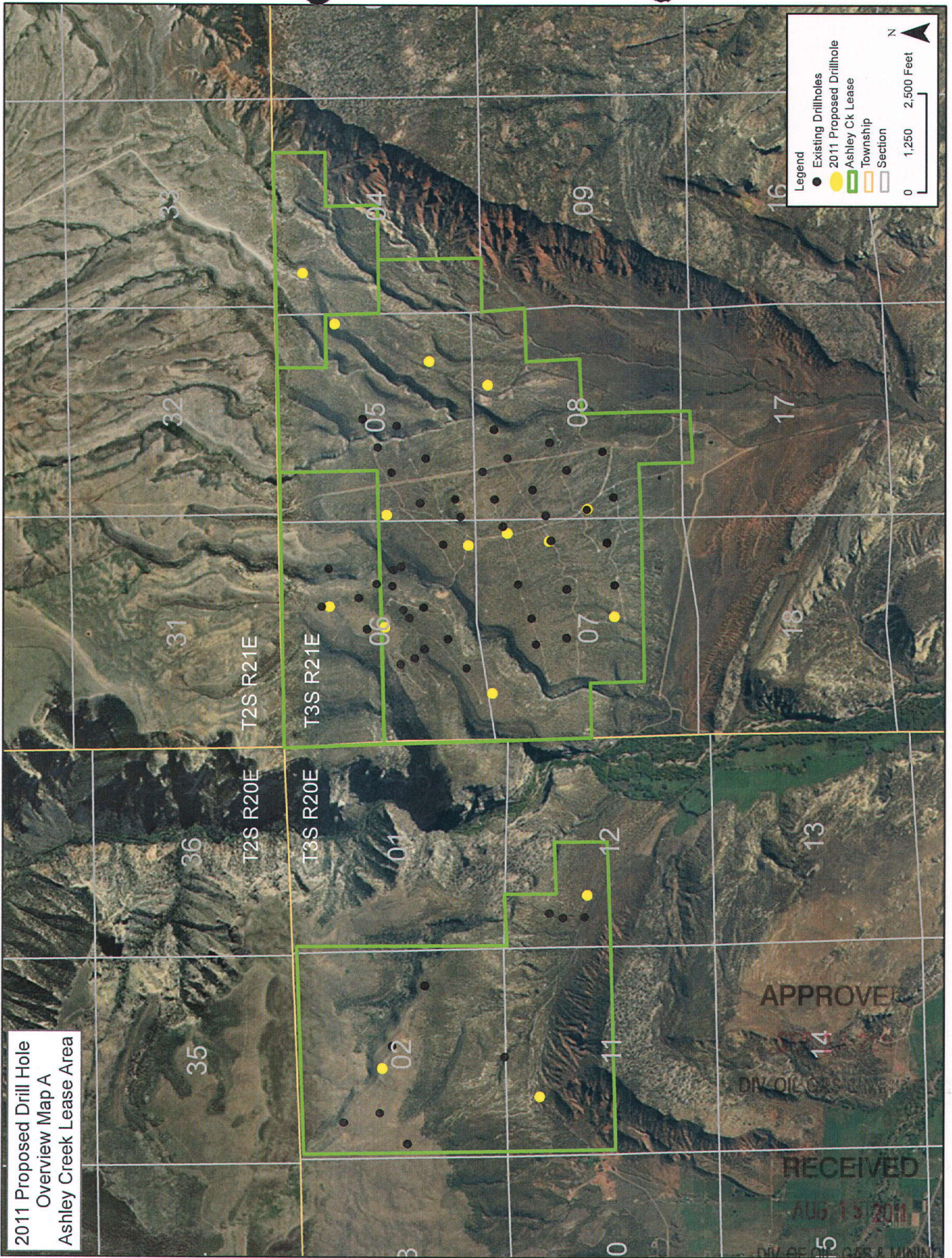
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2011 Proposed Drill Hole
Overview Map A
Ashley Creek Lease Area



Legend

- Existing Drillholes
- 2011 Proposed Drillhole
- Ashley Ck Lease
- Township
- Section

0 1,250 2,500 Feet

N

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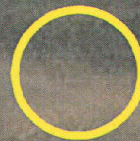
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2011 Drill Hole
Location Map B
Sec. 2-T3S-R20E
Proposed Drillhole PDH-1



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Legend

 2011 Proposed Drillhole

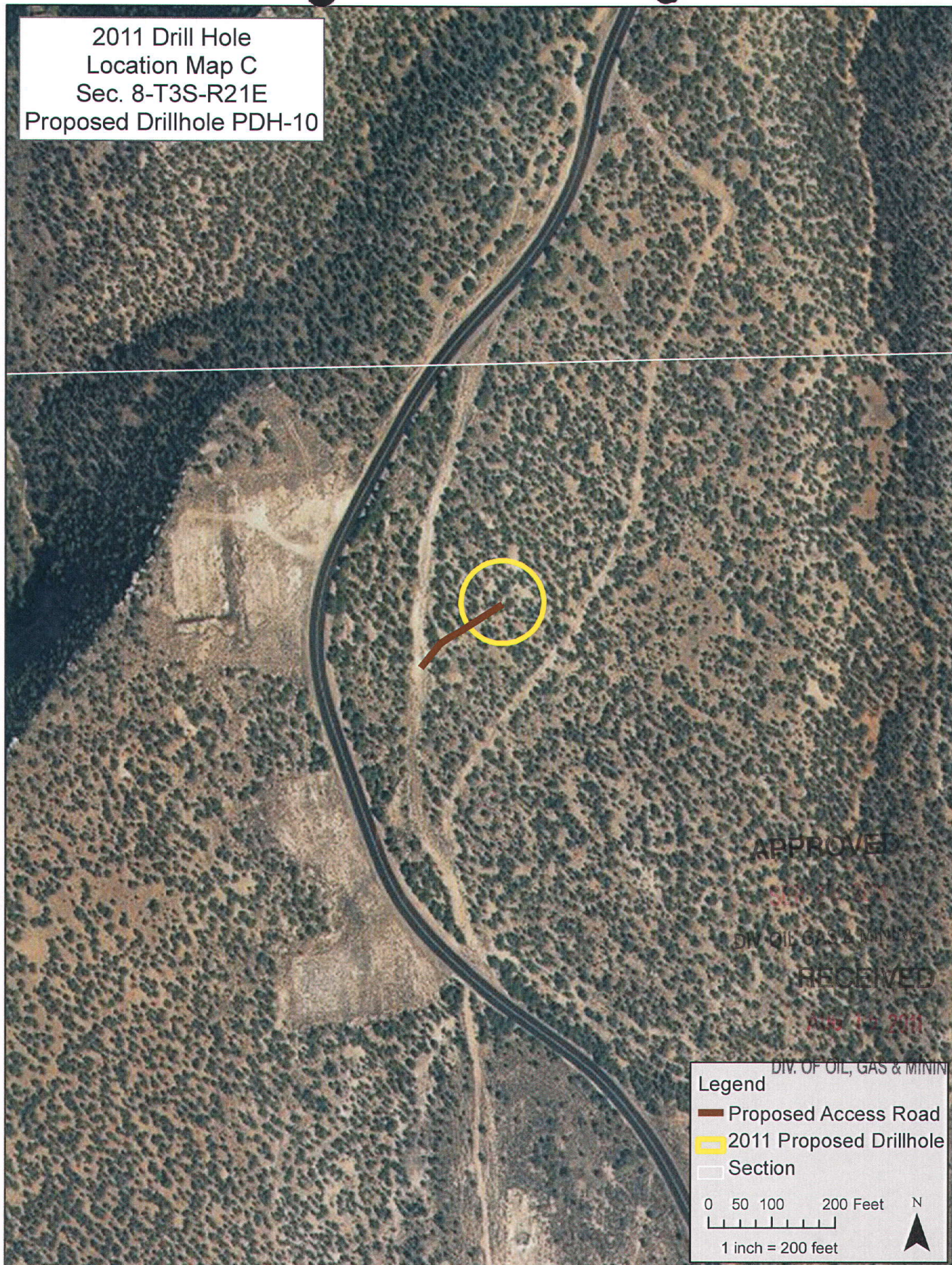
0 50 100 200 Feet



1 inch = 200 feet



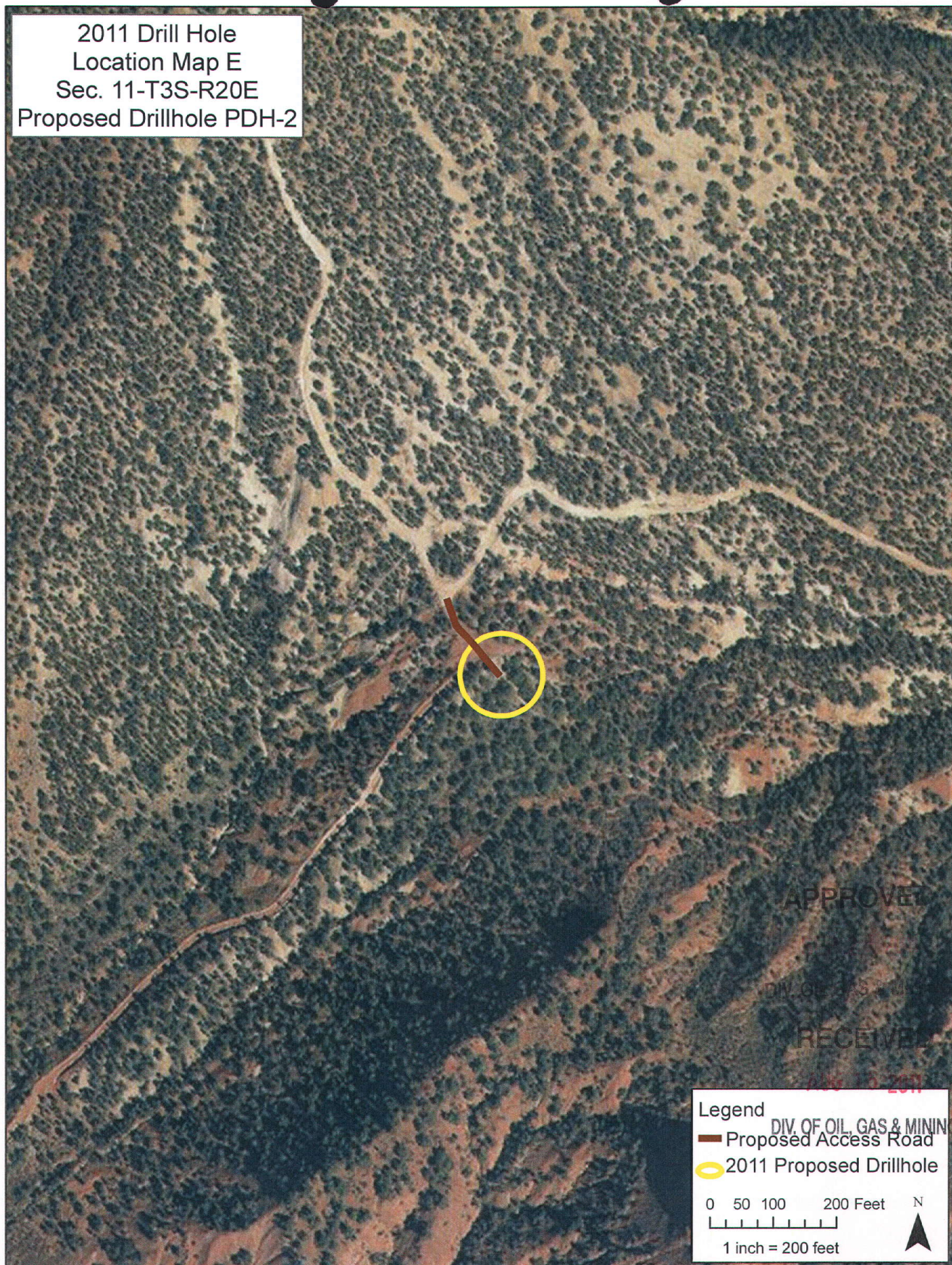
2011 Drill Hole
Location Map C
Sec. 8-T3S-R21E
Proposed Drillhole PDH-10



2011 Drill Hole
Location Map D
Sec. 5-T3S-R21E
Proposed Drillhole PDH-10-ALT



2011 Drill Hole
Location Map E
Sec. 11-T3S-R20E
Proposed Drillhole PDH-2



Legend

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Proposed Access Road

2011 Proposed Drillhole

0 50 100 200 Feet

1 inch = 200 feet

N

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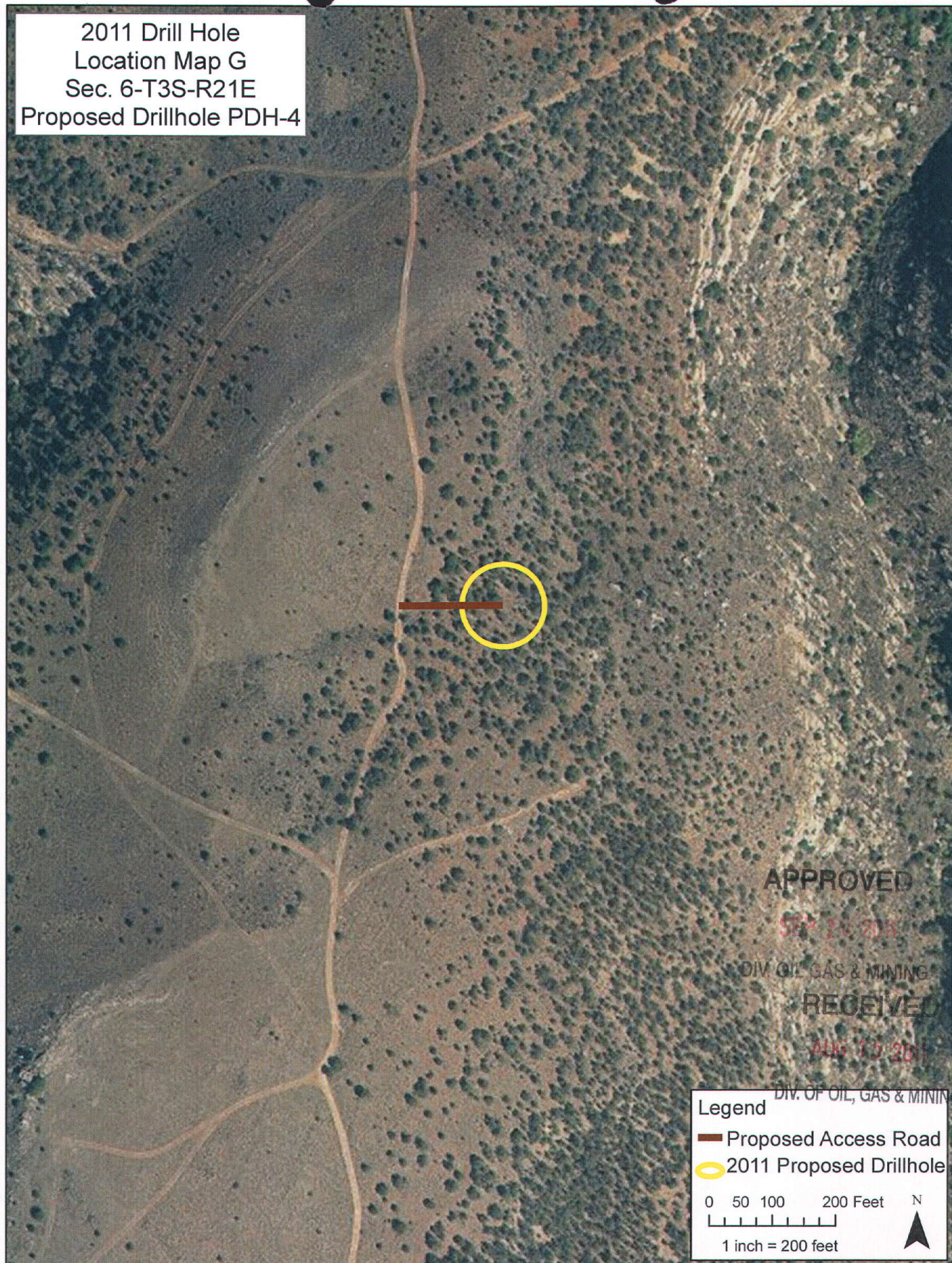
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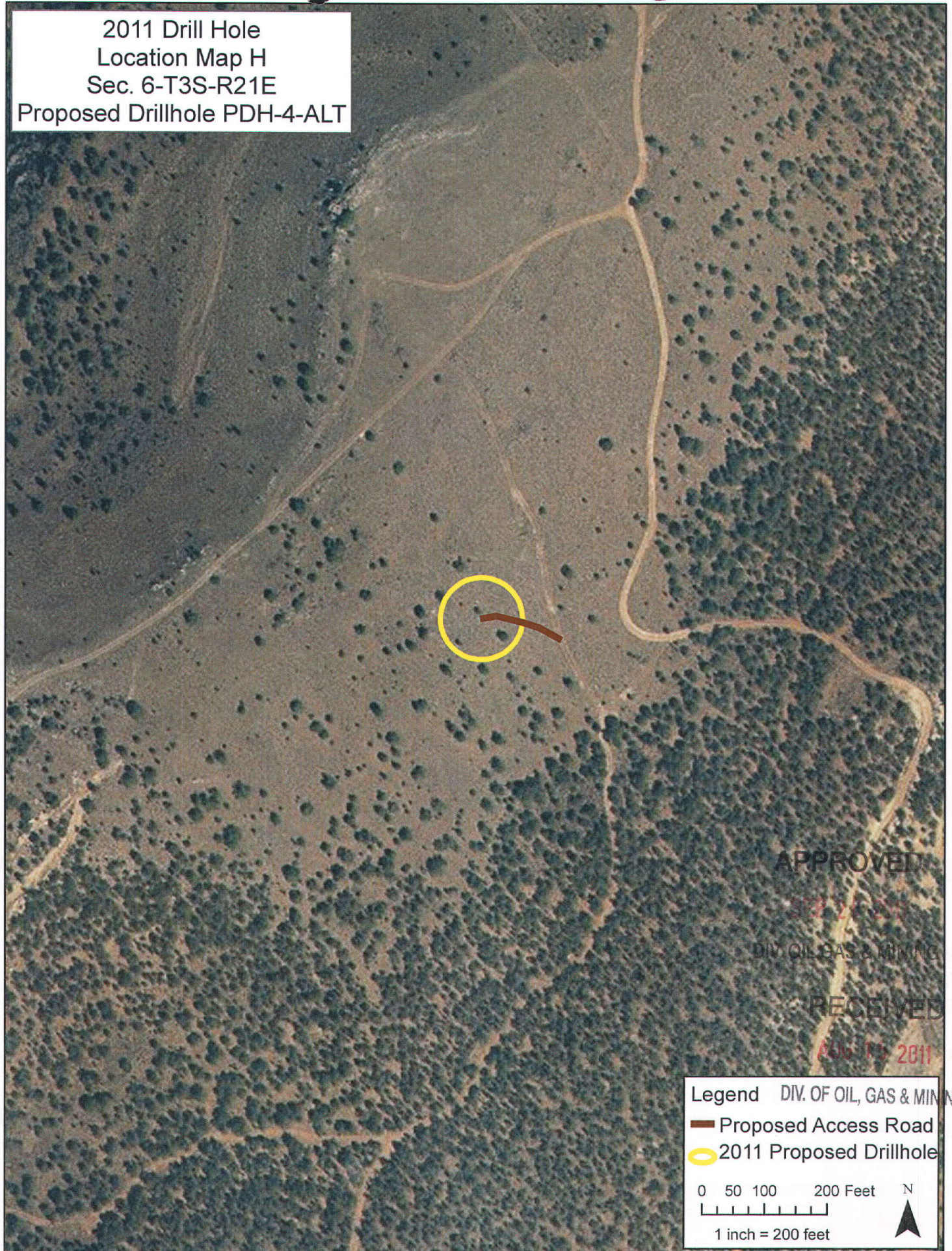
2011 Drill Hole
Location Map F
Sec. 12-T3S-R20E
Proposed Drillhole PDH-3



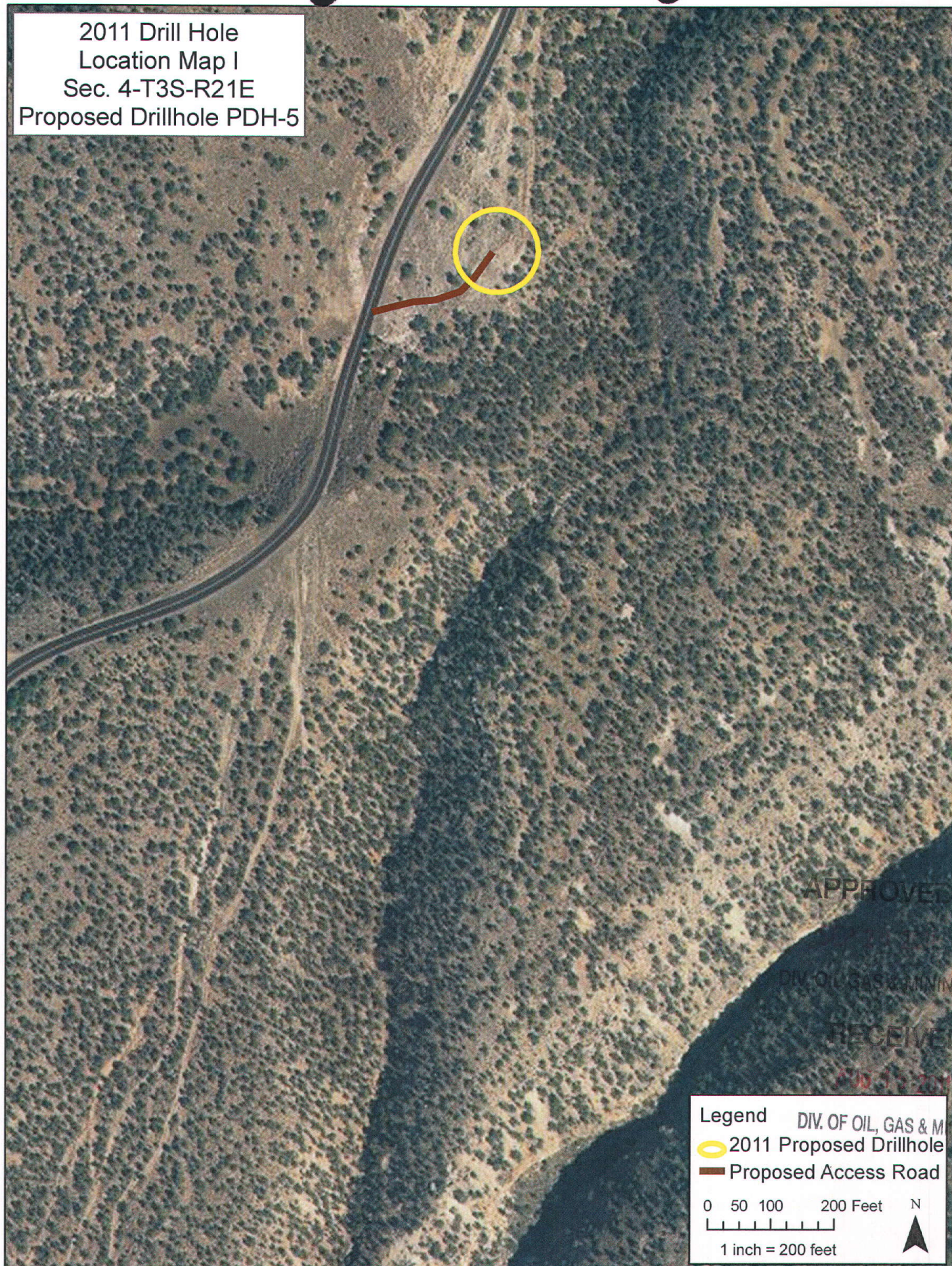
2011 Drill Hole
Location Map G
Sec. 6-T3S-R21E
Proposed Drillhole PDH-4



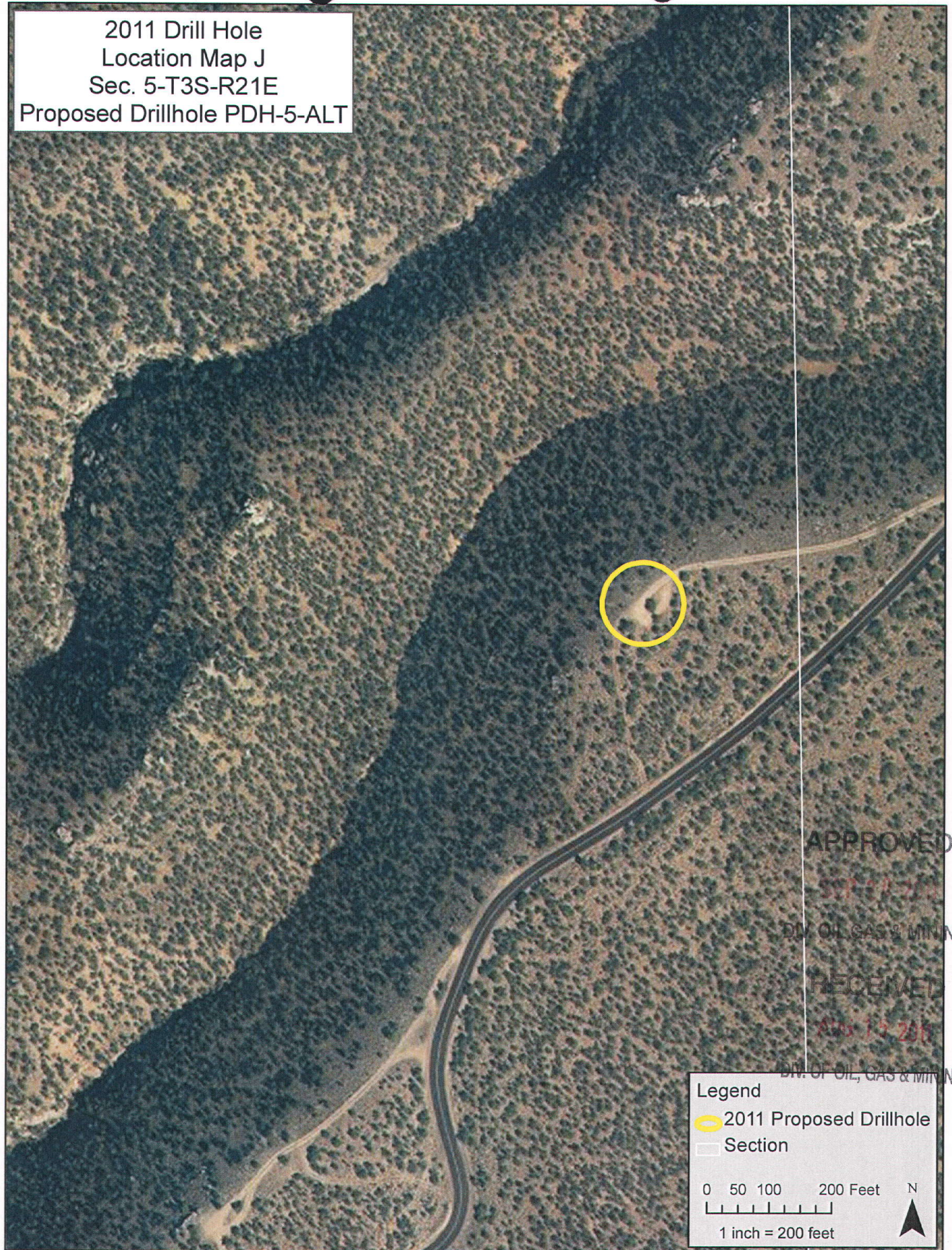
2011 Drill Hole
Location Map H
Sec. 6-T3S-R21E
Proposed Drillhole PDH-4-ALT



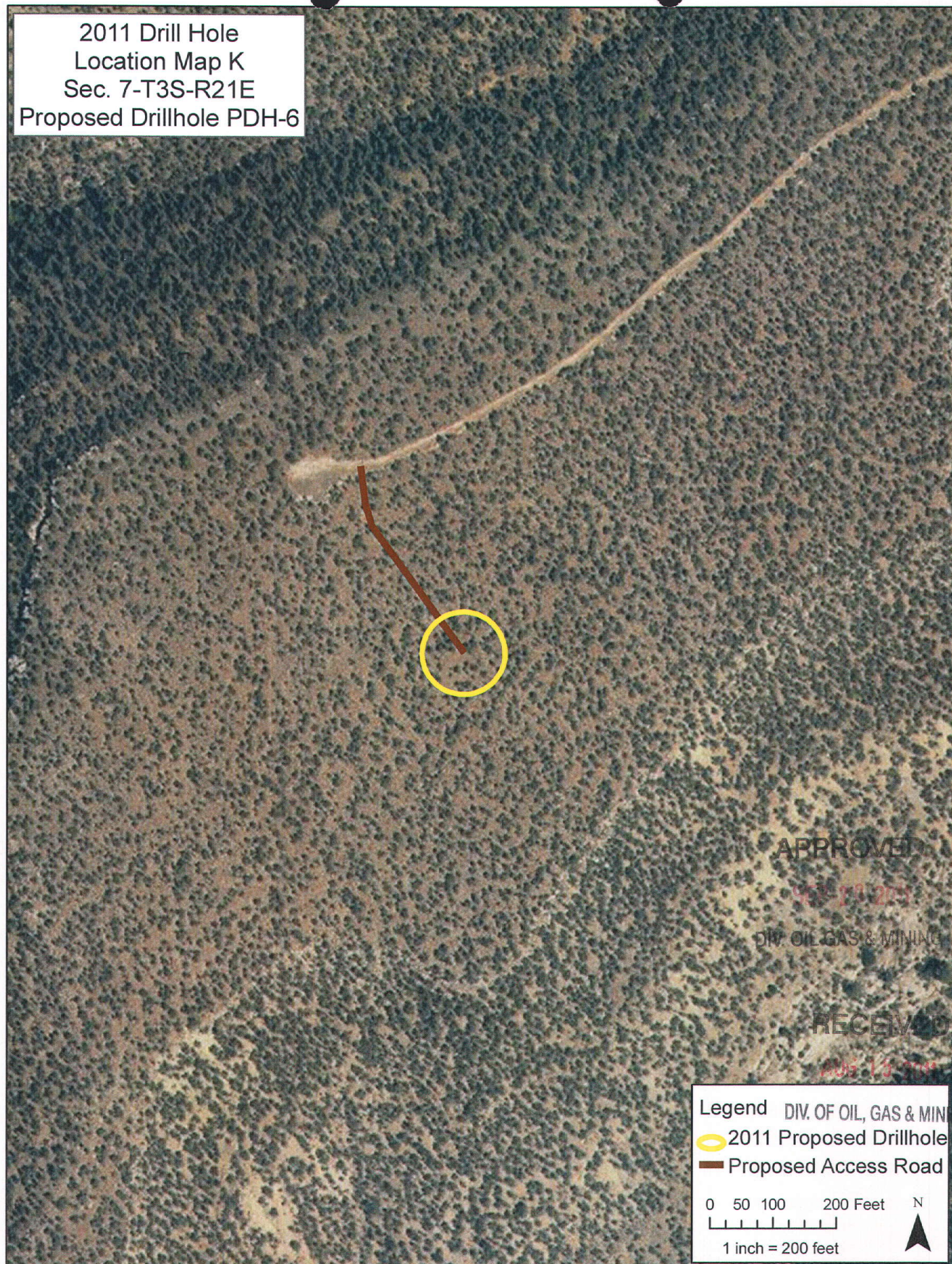
2011 Drill Hole
Location Map I
Sec. 4-T3S-R21E
Proposed Drillhole PDH-5



2011 Drill Hole
Location Map J
Sec. 5-T3S-R21E
Proposed Drillhole PDH-5-ALT



2011 Drill Hole
Location Map K
Sec. 7-T3S-R21E
Proposed Drillhole PDH-6



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2011 Proposed Drillhole

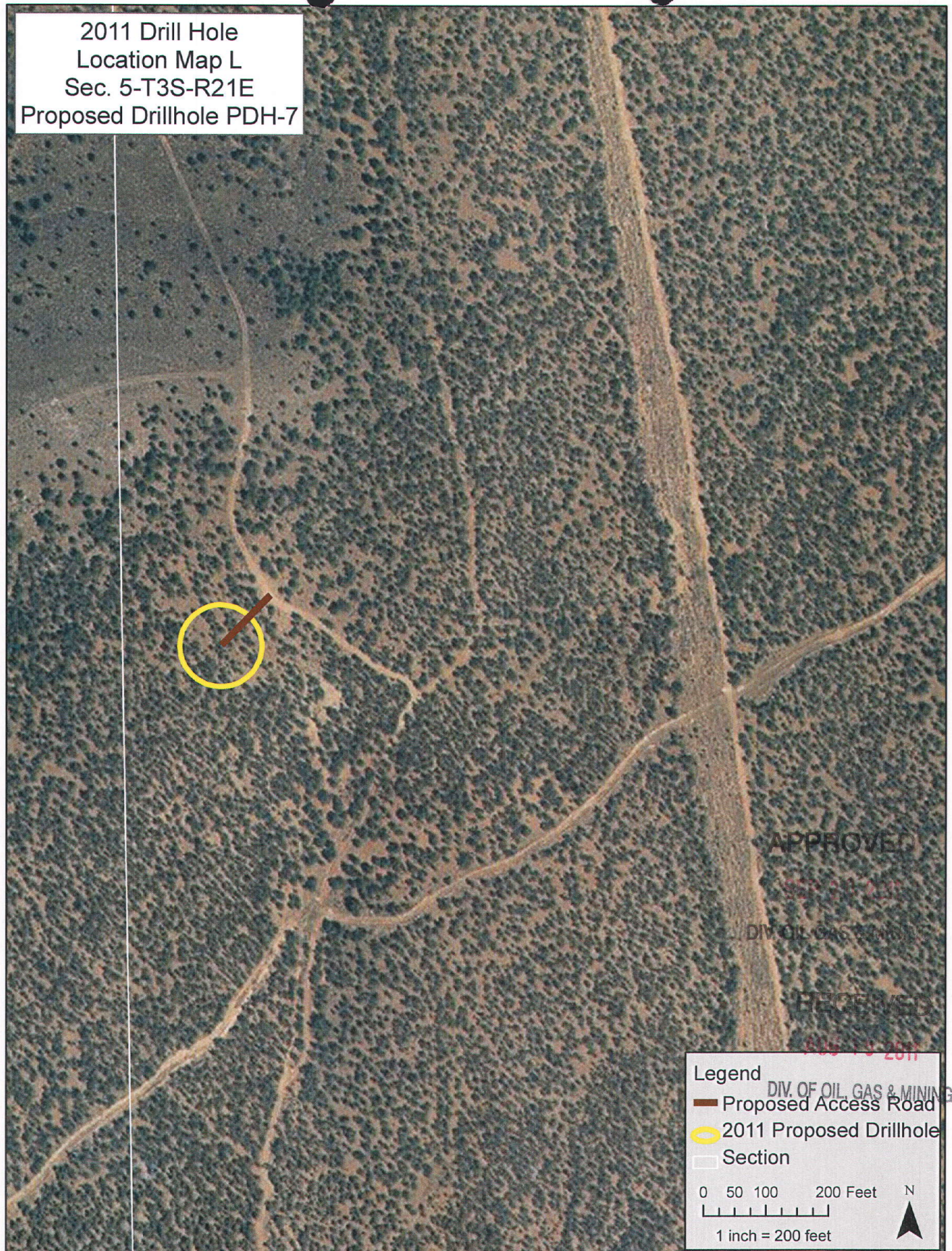
Proposed Access Road

0 50 100 200 Feet

1 inch = 200 feet



2011 Drill Hole
Location Map L
Sec. 5-T3S-R21E
Proposed Drillhole PDH-7



Legend
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— Proposed Access Road
○ 2011 Proposed Drillhole
□ Section
0 50 100 200 Feet
1 inch = 200 feet
N

2011 Drill Hole
Location Map M
Sec. 7-T3S-R21E
Proposed Drillhole PDH-8



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 2011 Proposed Drillhole

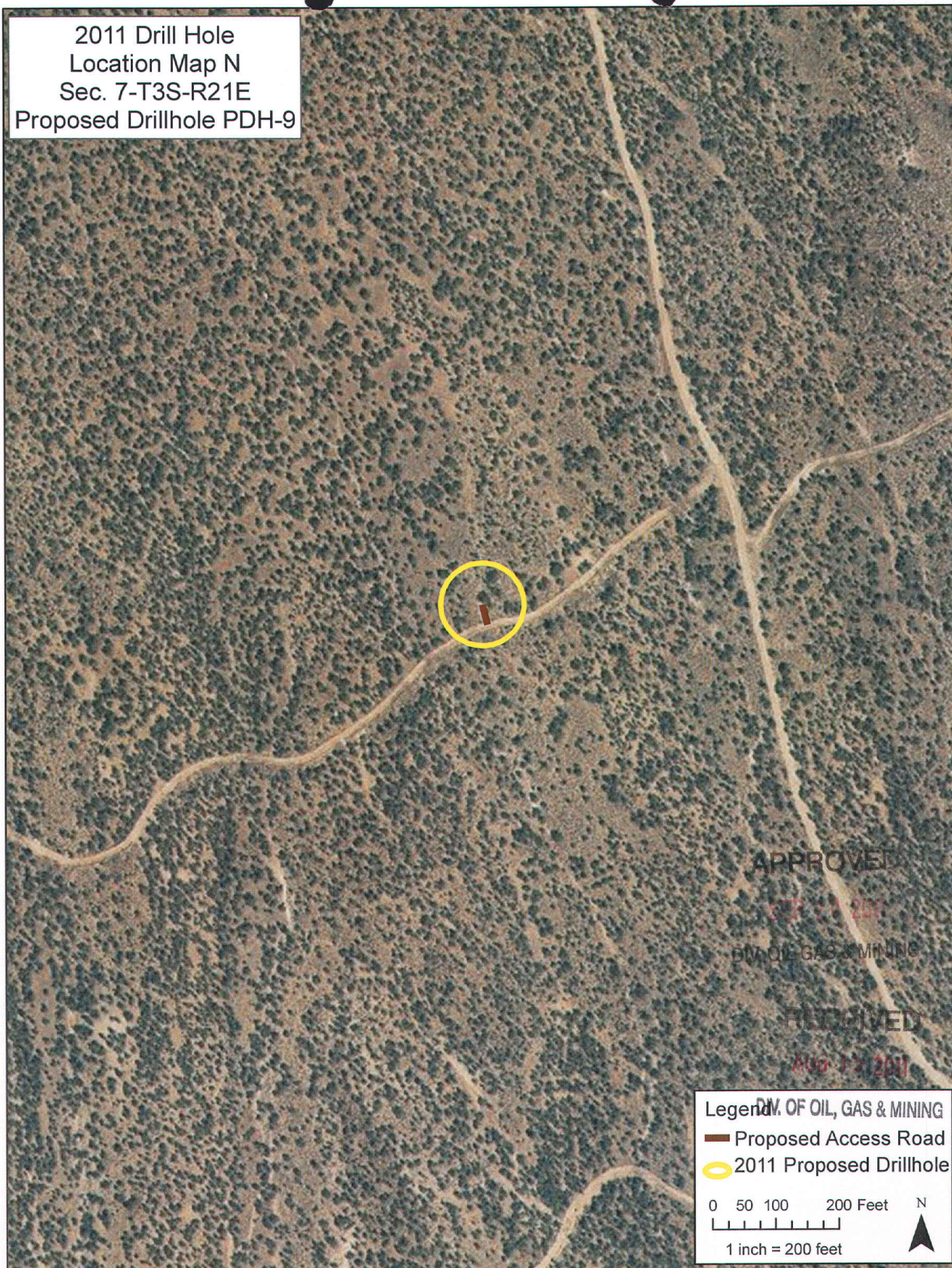
0 50 100 200 Feet



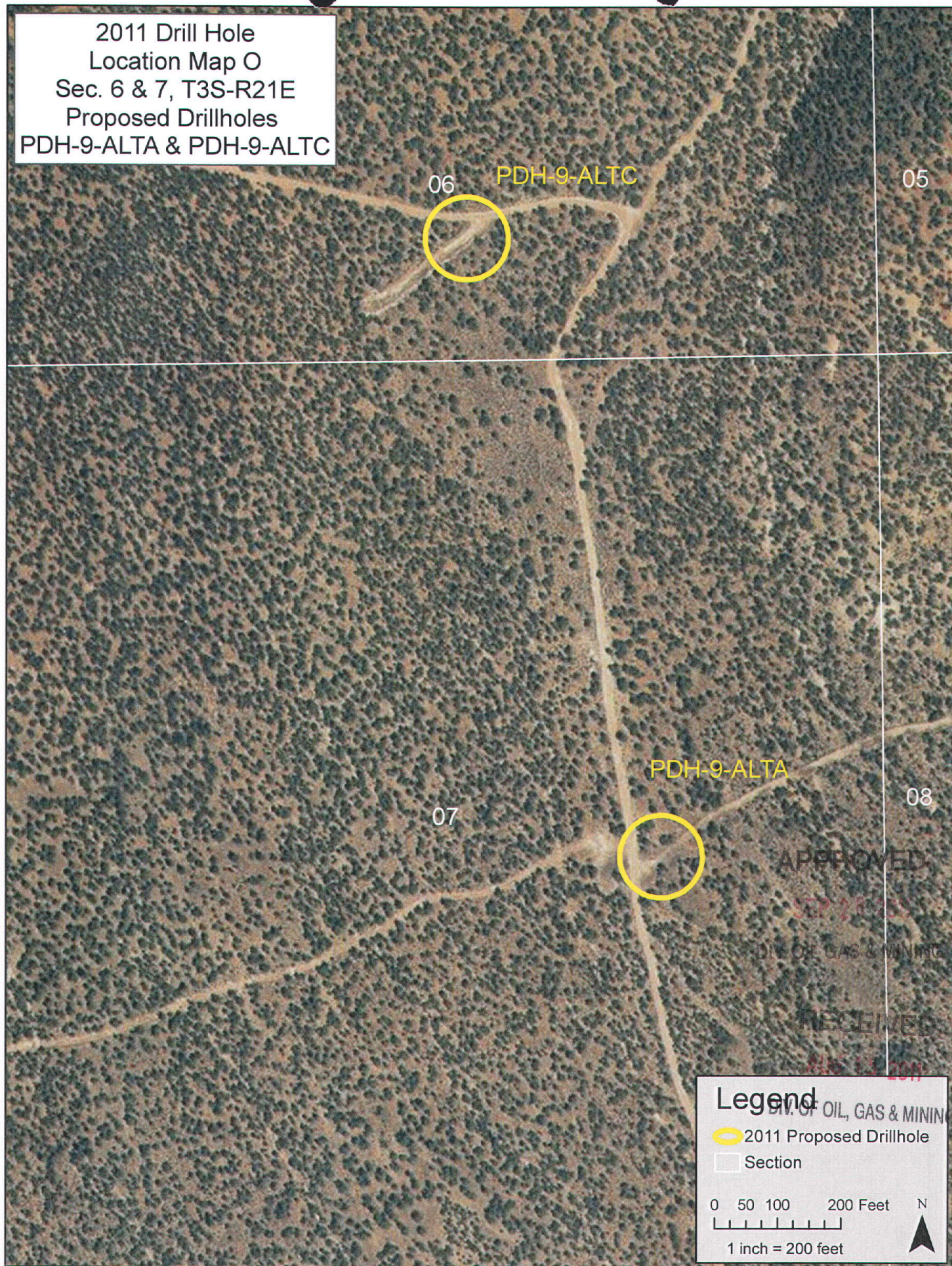
1 inch = 200 feet



2011 Drill Hole
Location Map N
Sec. 7-T3S-R21E
Proposed Drillhole PDH-9



2011 Drill Hole
Location Map O
Sec. 6 & 7, T3S-R21E
Proposed Drillholes
PDH-9-ALTA & PDH-9-ALTC



2011 Drill Hole
Location Map P
Sec. 8-T3S-R21E
Proposed Drillhole PDH-9-ALTB

